



SFY19 Budget Report from the Plumbers, Mechanical Professionals and Contractor Licensing Board

Pursuant to the requirements of Iowa Code 105.9



Bureau of Environmental Health Services, Division of ADPER & EH
January 8, 2020

Iowa Department of Public Health
Protecting and Improving the Health of Iowans



SFY 19 Budget Report from the Plumbers, Mechanical Professionals and Contractor Licensing Board

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SFY 19 Budget Report from the Plumbers, Mechanical Professionals and Contractor Licensing Board

Pursuant to Iowa Code section 105.9, the Iowa Plumbing and Mechanical Systems Board submits the following annual budget report to the Iowa Legislature. Iowa Code section 105.9 requires the board to demonstrate that revenues remain within 10% of expenditures over a period of at least three years.

SFY 2019 Renewal Cycle:

- A contract with CSDC (OCIO contracted software vendor) was signed in SFY2015 to develop a new database system for the ADPER & EH division-wide licensing system. The Plumbing and Mechanical Systems Board (PMSB) was one of 16 programs to move into this system.
- On May 16, 2017, the database went “live” for PMSB licensees to begin renewal online. The goal for the program was to have 80% of its licensees renew online. Since that date, approximately 83% of individuals and contractors have renewed online, while 17% renewed by paper.
- The “one stop shop” to renew the Iowa Workforce Development (IWD) contractor registration and Iowa Department of Public Health (IDPH) contractor license was implemented in the SFY17/18 renewal cycle. Contractors are able to renew their IWD registration and IDPH license through the IDPH Regulatory Programs portal or by submitting a joint paper application to IDPH.
- Rules which became effective March 12, 2014, set the initial and renewal fee for apprentice licensure at \$50.00, journey person at \$180.00, master licenses at \$240.00 and contractor licenses at \$250.00. All licenses cover a three-year licensing period and have the expiration date of June 30, 2020. The department is reviewing the current fee structure to determine when a fee increase will be necessary to sustain the current level of services provided to licensees.
- In addition to PMSB office staff, there is one Help Desk staff and one LaunchIT staff to manage the Help Desk for 16 regulatory programs. From July 1, 2018 to June 30, 2019, the Help Desk staff logged a total of 710 inbound and outbound calls for PMSB licensees. The average time of those phone calls was 4.4 minutes. The Help Desk staff also responded to 42 email inquiries. These numbers are expected to increase dramatically during SFY2020 due to the licensing renewal date of July 1, 2020 for all PMSB licensees.
- In SFY2019, a lobby area on the fifth floor of the Lucas Building was constructed to serve all of the ADPER & EH Regulatory programs, including the Plumbing and Mechanical Systems Board.
- In SFY2019 the PMSB Office transferred a staff member to the Help Desk and laid off one staff member due to budget concerns. Between the renewal in 2017 to present day, the office staff has been reduced by 64% going from 11 staff members to 4 staff members. All four staff members are also working in the Lead Certification program and are not solely dedicated to the PMSB Office. This is a concern for the upcoming 2020 renewal and how it will impact customer service.

SFY2018 thru SFY 2019 Licensee Data Snapshot (data pulled 11/20/19)

- Expiration dates on these licenses are June 30, 2020
- The data pulled is aggregate data from SFY2017- SFY2019
- There are 18,581 individual licenses and 2005 contractor licenses.

Total Active Contractor License with Expiration of 2020	2005	
Total # of Master of Records (MORs)	3124	MOR-Plumbing: 1542 MOR-Hydronics: 215

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		MOR-Mechanical: 750 MOR-HVAC/R: 617
Inactive Master/Active Journey (IM/AJ)	111	Plumbing: 67 Hydronics: 8 Mechanical: 13 HVAC/R: 23
Total # of Apprentices	2156	
Total # of Hearth Systems	6	
Total # of Private College	7	
Total # of Disconnect/Reconnect	38	
Total # of HVAC Service Tech	260	
Total # of Med Gas	101	
Total # of Journey Licenses	6400	Plumbing: 2584 Hydronics: 794 Mechanical: 1196 HVAC/R: 1707 Sheet Metal: 119
Total # of Master Licenses	6378	Plumbing: 3152 Hydronics: 380 Mechanical: 1447 HVAC/R: 1358
Total # of individuals that hold more than 1 license	3702	
Total # of applicants that received a discount	3795	Individuals: 3310 Contractors: 485
Late Renewals for Individuals (received after July 30, 2017)	915	\$60.00 Late Fee: 415 \$100.00 Late Fee: 499

SFY2019/SFY2020 expenditures and projected annual budget through SFY2024:

Expenditure Summary FY 2019 & FY 2020			
State Fiscal Year	Revenue (includes. carryover)	Expenditures	Balance
2019*	\$2,052,467	\$882,603	\$1,168,863
2020	\$1,288,863	\$1,091,809	\$175,064
Projected Revenue and Expenditures FY 2021 through 2024**			

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2021	\$2,415,063**	\$1,267,322	\$1,147,741
2022	\$1,267,741	\$1,303,276	(\$35,535)
2023	\$120,000***	\$1,340,308	(\$1,255,843)
2024	\$120,000***	\$1,378,452	(\$2,514,295)

***The revenue and expenditures for FY19 are actual expenses. See additional attachment for a more detailed summary.**

****This number was estimated from the amount collected for renewals in FY18 and includes an estimated 20% loss of revenue for those licensees who choose to not renew. This revenue will begin to come into the department in FY2020, since it is impossible to tell how many licensees will renew in FY2020 vs. FY2021, the revenue has been allocated to FY2021.**

*****This is money from new licenses.**

Assumptions:

- The expenditures above assume that personnel costs and indirect costs at 35.9% remain stable.
- The revenue and expenditures above assume that the renewal cycle will remain in the current format with all licensees renewing at one time every three years.

Conclusions:

- IDPH transitioned to the new CSDC licensing software (AMANDA) in CY2017. IDPH continues to work with the vendor to develop cost estimates for ongoing hosting and maintenance, and will adjust budgeting projections for FY18 and beyond as more detailed estimates are established. While the initial database is functioning, much was learned during the July 1, 2017, renewal period and enhancements will need to be made resulting in potentially additional costs. The ultimate impact on budget numbers is not yet fully understood.
- It should also be noted that the common perception that new technology that increases efficiencies also results in costs savings is inaccurate. While technology may reduce the need for certain administrative costs, there is an offset (an often an increase) in staffing costs with the need to have information technology staff who can manage and maintain the technology.
- The SFY20-SFY22 budget shows a three year estimated revenue generation of \$2,479,999 and estimated expenditures equal to \$3,662,407. This means projected revenues only cover approximately 68% of projected expenditures over the three- year budgeting cycle. The goal is to achieve revenues remaining within 10% of expenditures over a period of at least three years.
- These projections, when adjusted with additional details regarding hosting and maintenance costs of AMANDA, necessary upgrade to AMANDA 7, increasing indirect rates, and salary adjustments, indicates a need to review and update the fee structure to support the upward trend in expenditures.

PLUMBER/MECHANICAL CONTRACTOR LICENSING HISTORY

REVISED	FY12		FY12 % Spent	FY13		FY13 % Spent	Actual		FY14 % Spent	FY14		FY14 % Spent	FY15		FY15 % Spent	FY16		FY16 % Spent	FY17		FY17 % Spent	FY18		FY18 % Spent	FY19		FY19 % Spent	FY20		FY20 % Spent	
	Estimated Budget	Actual FY12 as of 9/30/12		Estimated Budget	Actual FY13 as of 9/30/13		Estimated Budget	Actual FY14 as of 9/30/14		Estimated Budget	Actual FY15 as of 9/30/15		Estimated Budget	Actual FY16 as of 9/30/16		Estimated Budget	Actual FY17 as of 9/30/17		Estimated Budget	Actual FY18 as of 9/30/18		Estimated Budget	Actual FY19 as of 9/30/19		Estimated Budget	Actual FY20 as of 9/30/20					
Pay of Contractor of fees																															
CP Application																															
401	Licensing Fee (see line and revenue)	50,000.00	138,622.39	277%	50,000.00	77,487.35	155%	80,000.00	115,076.93	144%	2,000,475.00	2,476,265.34	84%	177,401.00	287,230.37	162%	65,000.00	1,616,892.05	2488%	2,362,775.00	1,413,261.79	60%	60,000.00	149,735.62	250%	120,000.00	1,148,473.88	100%	120,000.00	1,148,473.88	100%
Revenue Total																															
	2,752,363.76	2,846,126.08	103%	1,386,188.01	1,837,877.31	133%	1,145,827.76	1,860,964.48	163%	3,203,686.00	2,761,465.74	86%	1,843,816.00	2,063,965.12	112%	1,427,609.00	2,853,734.23	200%	2,368,296.00	2,858,077.94	121%	1,862,354.00	2,081,465.61	112%	1,266,876.00	1,266,876.00	100%	1,266,876.00	1,266,876.00	100%	
Class EXPENDITURES																															
001	Personnel	572,001.00	476,027.12	83%	647,847.00	628,762.00	97%	573,387.00	555,545.43	97%	553,075.00	497,441.34	90%	548,000.00	530,268.19	97%	623,253.00	584,191.38	94%	489,072.00	471,688.91	97%	558,401.00	419,794.47	75%	354,000.00	354,000.00	100%	354,000.00	354,000.00	100%
002	In-State Travel	13,000.00	11,105.80	85%	13,500.00	9,257.24	68%	8,000.00	6,475.18	81%	7,000.00	3,774.46	54%	3,000.00	2,980.06	99%	1,000.00	980.63	98%	1,000.00	401.08	40%	500.00	1,369.62	274%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%
003	State Vehicle Operation	300.00	10.47	3%	200.00	-	0%	200.00	-	0%	200.00	-	0%	200.00	82.46	41%	200.00	476.36	238%	200.00	508.26	254%	400.00	109.80	27%	300.00	300.00	100%	300.00	300.00	100%
004	State Vehicle Depreciation	200.00	31.79	16%	200.00	-	0%	200.00	-	0%	200.00	-	0%	200.00	30.74	15%	200.00	272.47	136%	200.00	410.31	205%	400.00	115.81	29%	300.00	300.00	100%	300.00	300.00	100%
005	Out-of-State Travel	-	-	0%	-	-	0%	2,000.00	-	0%	2,000.00	-	0%	6,000.00	-	0%	700.00	-	0%	700.00	-	0%	1,000.00	-	0%	1,000.00	-	0%	1,000.00	-	0%
006	Office Supplies	10,000.00	11,247.52	112%	7,500.00	8,038.56	107%	7,500.00	6,966.76	93%	6,000.00	10,507.13	175%	10,000.00	9,476.23	95%	9,000.00	4,200.80	47%	5,000.00	7,225.89	144%	5,000.00	1,803.87	36%	2,500.00	2,500.00	100%	2,500.00	2,500.00	100%
007	Printing and Binding	13,000.00	1,977.57	15%	5,000.00	2,094.75	42%	3,000.00	8,825.50	294%	3,000.00	3,825.25	128%	10,000.00	1,980.75	20%	4,000.00	4,854.00	121%	3,000.00	2,355.72	79%	3,000.00	1,126.32	38%	3,000.00	3,000.00	100%	3,000.00	3,000.00	100%
008	Other Supplies	700.00	-	0%	200.00	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
009	Food	1,500.00	1,500.00	100%	200.00	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
010	Uniforms	30,000.00	16,907.46	56%	25,000.00	12,500.37	50%	25,000.00	13,961.44	56%	10,000.00	20,403.31	204%	15,000.00	6,938.96	46%	15,000.00	14,030.61	94%	12,000.00	4,249.00	35%	6,000.00	2,061.62	34%	3,000.00	3,000.00	100%	3,000.00	3,000.00	100%
011	Postage	8,000.00	7,330.50	91%	9,000.00	7,008.17	78%	8,000.00	6,280.20	79%	7,000.00	6,123.95	87%	7,000.00	5,287.16	75%	5,000.00	5,211.56	104%	5,000.00	6,711.16	134%	6,000.00	6,013.57	100%	6,000.00	6,000.00	100%	6,000.00	6,000.00	100%
012	Communications	1,000.00	-	0%	1,000.00	475.00	48%	1,000.00	-	0%	100.00	-	0%	100.00	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
020	Professional & Scientific Services	110,000.00	111,800.57	102%	110,000.00	4,383.08	4%	80,000.00	830.32	1%	5,000.00	7,230.78	145%	8,000.00	534.32	7%	5,000.00	25,918.26	518%	5,000.00	17,435.46	349%	10,000.00	588.03	6%	40,000.00	40,000.00	100%	40,000.00	40,000.00	100%
027	Invo. Serv. Transfers	64,941.00	25,428.63	39%	143,825.00	64,498.00	45%	302,130.00	238,577.88	79%	160,000.00	113,880.94	71%	362,707.00	193,326.16	53%	532,124.00	627,823.08	118%	371,236.00	319,037.04	86%	328,821.00	301,401.97	92%	562,000.00	562,000.00	100%	562,000.00	562,000.00	100%
028	Advertising & Publicity	100.00	37.50	38%	100.00	932.00	932%	407.00	366.00	90%	500.00	-	0%	500.00	3,167.44	633%	2,000.00	-	0%	2,000.00	-	0%	500.00	58.80	12%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%
029	Outside Relations	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
011	Attorney General Endorsement	4,800.00	3,101.03	65%	4,800.00	4,808.80	100%	4,800.00	2,536.80	53%	8,000.00	4,761.86	60%	6,000.00	5,208.27	87%	6,000.00	2,448.00	41%	2,400.00	1,568.13	65%	4,000.00	1,808.79	45%	4,000.00	4,000.00	100%	4,000.00	4,000.00	100%
014	Reimbursement to Other Agencies	100,000.00	10,845.20	11%	20,000.00	10,000.00	50%	4,000.00	16,381.47	409%	10,000.00	23,164.15	232%	10,000.00	19,685.89	197%	10,000.00	17,702.19	177%	10,000.00	13,100.11	131%	12,000.00	5,570.70	46%	8,000.00	8,000.00	100%	8,000.00	8,000.00	100%
018	IT/Outside Services	200,000.00	185,673.78	93%	150,000.00	181,718.80	121%	164,000.00	16,307.25	10%	210,000.00	90,000.00	43%	3,000.00	3,000.00	100%	3,000.00	-	0%	28,000.00	65,876.47	235%	10,000.00	-	0%	10,000.00	10,000.00	100%	10,000.00	10,000.00	100%
024	Gov. Transfer Attorney General	31,000.00	50,475.11	163%	25,000.00	67,450.89	270%	67,120.00	67,394.13	100%	67,300.00	67,454.92	100%	67,300.00	67,324.46	100%	67,300.00	67,300.31	100%	67,300.00	67,300.31	100%	67,300.00	67,300.31	100%	67,300.00	67,300.00	100%	67,300.00	67,300.00	100%
025	Gov. Transfer Other Agencies	13,000.00	21,482.91	165%	10,000.00	547.41	5%	10,000.00	1,446.30	14%	11,000.00	517.79	5%	100.00	168.00	168%	100.00	666.88	667%	1,000.00	18.60	2%	300.00	287.15	96%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%
026	Office Equipment	5,000.00	713.47	14%	5,000.00	1,574.36	31%	1,000.00	98.50	10%	253.00	1,524.85	603%	2,000.00	799.00	40%	1,000.00	399.00	40%	1,000.00	256.00	26%	240.00	375.25	156%	100.00	100.00	100%	100.00	100.00	100%
023	Equipment/Non-Inventory	5,000.00	4,708.36	94%	7,500.00	5,822.32	78%	104,150.00	3,323.70	3%	2,114,615.00	16,518.67	0%	791,810.00	11,097.24	1%	10,000.00	6,841.47	68%	10,000.00	11,166.26	112%	3,200.00	11,133.86	348%	12,000.00	12,000.00	100%	12,000.00	12,000.00	100%
001	Claims	23,200.00	1,124.52	5%	16,312.00	860.28	5%	1,000.00	716.57	72%	2,114,615.00	31,650.44	1%	791,810.00	11,097.24	1%	10,000.00	6,841.47	68%	10,000.00	11,166.26	112%	3,200.00	11,133.86	348%	12,000.00	12,000.00	100%	12,000.00	12,000.00	100%
002	Other Expenses & Obligations	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
001	Licenses	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%	1,000.00	1,000.00	100%
002	Refund	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	-	0%
Expenditure Total																															
	2,752,363.76	2,846,126.08	103%	1,386,188.01	1,837,877.31	133%	1,145,827.76	1,860,964.48	163%	3,203,686.00	2,761,465.74	86%	1,843,816.00	2,063,965.12	112%	1,427,609.00	2,853,734.23	200%	2,368,296.00	2,858,077.94	121%	1,862,354.00	2,081,465.61	112%	1,266,876.00	1,266,876.00	100%	1,266,876.00	1,266,876.00	100%	
RECAP																															
FY12 TO DATE																															
Total Revenue	2,752,363.76	2,846,126.08	103%	1,386,188.01	1,837,877.31	133%	1,145,827.76	1,860,964.48	163%	3,203,686.00	2,761,465.74	86%	1,843,816.00	2,063,965.12	112%	1,427,609.00	2,853,734.23	200%	2,368,296.00	2,858,077.94	121%	1,862,354.00	2,081,465.61	112%	1,266,876.00	1,266,876.00	100%	1,266,876.00	1,266,876.00	100%	
Total Expenditures	2,752,363.76	2,846,126.08	103%	1,386,188.01	1,837,877.31	133%	1,145,827.76	1,860,964.48	163%	3,203,686.00	2,761,465.74	86%	1,843,816.00	2,063,965.12	112%	1,427,609.00	2,853,734.23	200%	2,368,296.00	2,858,077.94	121%	1,862,354.00	2,081,465.61	112%	1,266,876.00	1,266,876.00	100%	1,266,876.00	1,266,876.00	100%	
Assets Close Out Any Approved Budget																															
	1,416,261.00	1,406,186.00	99%	1,163,684.00	1,084,776.00	93%	1,177,247.00	207,287.00	18%	1,113,613.00	1,375,655.00	124%	1,818,816.00	1,256,548.16	69%	1,993,000.00	1,064,794.31	53%	1,938,000.00	1,261,734.00	65%	1,720,000.00	1,068,867.71	62%	1,745,000.00	1,068,867.71	61%	1,745,000.00	1,068,867.71	61%	